

Public Law 87-821

AN ACT

October 15, 1962
[H. R. 11018]

To amend the Act concerning gifts to minors in the District of Columbia.

District of
Columbia Uniform
Gifts to Minors
Act.

Definitions.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act concerning gifts of securities to minors in the District of Columbia", approved August 3, 1956 (70 Stat. 1028; D.C. Code, sec. 21-214), is amended to read as follows:

"SECTION 1. As used in this Act, the following terms shall have the meaning ascribed to each:

"(1) 'Adult': one who has attained the age of twenty-one years.

"(2) 'Bank': any person or association of persons carrying on the business of banking, whether incorporated or not, in the District of Columbia.

"(3) 'Broker': one who is lawfully engaged in the business of effecting transactions in securities for the account of others; a bank which effects such transactions; and one who is lawfully engaged in buying and selling securities for his own account, through a broker or otherwise, as a part of a regular business.

"(4) 'Court': The United States District Court for the District of Columbia.

"(5) 'Custodial property':

"(A) All securities, money, life insurance and annuity contracts under the supervision of the same custodian for the same minor as a consequence of a gift or gifts made to the minor in the manner prescribed in this Act;

"(B) The income from the custodial property; and

"(C) The proceeds, immediate and remote, from the sale, exchange, conversion, investment, reinvestment, or other disposition of such securities, money, life insurance and annuity contracts, and income.

"(6) 'Custodian': one so designated in the manner prescribed in this Act.

"(7) 'Guardian of a minor': the general guardian, guardian, tutor, or curator of the minor's property, estate or person.

"(8) 'Issuer': one who places or authorizes the placing of his name on a security (other than as a transfer agent) to evidence that it represents a share, participation or other interest in his property or in an enterprise or to evidence his duty or undertaking to perform an obligation evidenced by the security, or who becomes responsible for or in place of any such person.

"(9) 'Legal representative': the executor or the administrator, general guardian, committee, conservator, tutor, or curator of a person's property or estate.

"(10) 'Life insurance and annuity contracts': shall include only insurance and annuity contracts on the life of a minor or a member of the minor's family as herein defined.

"(11) 'Member of a minor's family': any of the minor's parents, grandparents, brothers, sisters, uncles, and aunts, whether of the whole blood or the half blood, or by or through legal adoption.

"(12) 'Minor': one who has not attained the age of twenty-one years.

"(13) 'Security': any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease, collateral trust certificate, transferable share, voting trust certificate, or, in general, any in-

terest or instrument commonly known as a security, or any certificate of interest of participation in, any temporary or interim certificate, receipt, or certificate of deposit for, or any warrant or right to subscribe to or purchase, any of the foregoing. 'Security' does not include a security of which the donor is the issuer. A 'security' is in 'registered form' when it specifies a person entitled to it or to the right it evidences and its transfer may be registered upon books maintained for that purpose by or on behalf of the issuer.

"(14) 'Transfer agent': one who acts as authenticating trustee, transfer agent, registrar, or other agent for an issuer in the registration of transfers of its securities or in the issue of new securities or in the cancellation of surrendered securities.

"(15) 'Trust company': a bank authorized to exercise trust powers.

"SEC. 2. (a) An adult may, during his lifetime, make a gift of a security, money, life insurance or annuity contract to one who is a minor on the date of the gift, if the subject of the gift is a security—

Registration
or delivery.

"(1) in registered form, by registering it in the name of the donor, another adult, or a trust company, followed, in substance, by the words: 'as custodian for (name of minor) under the District of Columbia Uniform Gifts to Minors Act';

"(2) not in registered form, by delivering it to an adult other than the donor or a trust company, accompanied by a statement of gift in the following form, in substance, signed by the donor and the designated custodian:

**"GIFT UNDER THE DISTRICT OF COLUMBIA UNIFORM GIFTS
TO MINORS ACT"**

"I, (name of donor), hereby deliver to (name of custodian) as custodian for (name of minor) under the District of Columbia Uniform Gifts to Minors Act, the following security(ies): (insert an appropriate description of the security or securities delivered sufficient to identify it or them).

(signature of donor)

Dated:-----

(Name of custodian) hereby acknowledges receipt of the above described security(ies) as custodian for the above minor under the above Act.

(signature of custodian)

Dated:-----

"(3) If the subject of the gift is a life insurance or annuity contract, the ownership of the contract shall be registered by the donor of such contract in his own name or in the name of an adult member of the minor's family or in the name of any guardian of the minor, followed by the words 'as custodian for (name of minor) under the District of Columbia Uniform Gifts to Minors Act', and such contract shall be delivered to the person in whose name it is thus registered as custodian. If the contract is registered in the name of the donor, as custodian, such registration shall of itself constitute the delivery required by this section.

"(4) If the subject of the gift is money, by paying or delivering it to a broker or a bank for credit to an account in the name of the donor, another adult, or a bank with trust powers, followed, in substance, by the words: 'as custodian for (name of minor) under the District of Columbia Uniform Gifts to Minors Act'.

"(b) Any gift made in the manner prescribed in subsection (a) may be made to only one minor.

"(c) A donor who makes a gift to a minor as prescribed in subsection (a) shall promptly do all things within his power to put the subject of the gift in the possession and control of the custodian, but neither the donor's failure to comply with this subsection, nor his designation of an ineligible person as custodian, nor renunciation by the person designated as custodian shall affect the consummation of the gift.

Irrevocability.

"SEC. 3. (a) A gift made as prescribed in this Act shall be irrevocable and convey to the minor indefeasibly vested legal title to the security, money, life insurance or annuity contract given, but no guardian of the minor shall have any right, power, duty, or authority with respect to the custodial property except as provided in this Act.

"(b) By making a gift in the manner prescribed in this Act, the donor incorporates in his gift all the provisions thereof and grants to the custodian, and to any issuer, transfer agent, bank, broker, insurance company, or third person dealing with a custodian, the respective powers, rights, and immunities provided in this Act.

Custodian,
duties.

"SEC. 4. (a) Only one person may be the custodian. He shall collect, hold, manage, invest, and reinvest the custodial property.

"(b) The custodian shall pay over to the minor for expenditure by him, or expend for the minor's benefit, so much of or all the custodial property as the custodian deems advisable for the support, maintenance, education, and benefit of the minor in the manner, at the time or times, and to the extent that the custodian in his discretion deems suitable and proper, with or without court order, with or without regard to the duty of himself or of any other person to support the minor or his ability to do so, and with or without regard to any other income or property of the minor which may be applicable or available for any such purpose.

"(c) The court, on the petition of a parent or guardian of the minor or of the minor, if he has attained the age of fourteen years, may order the custodian to pay over to the minor for expenditure by him or to expend so much of or all the custodial property as is necessary for the minor's support, maintenance, or education.

"(d) To the extent that the custodial property is not so expended, the custodian shall deliver or pay it over to the minor on his attaining the age of twenty-one years or, if the minor dies before attaining that age, he shall thereupon deliver or pay it over to the estate of the minor.

"(e) The custodian, notwithstanding statutes restricting investments by fiduciaries, shall invest and reinvest the custodial property as would a prudent person of discretion and intelligence who is seeking a reasonable income and the preservation of capital, except that he may, in his discretion and without liability to the minor or his estate, retain a security given to the minor in the manner prescribed in this Act.

"(f) The custodian may sell, exchange, convert, or otherwise dispose of custodial property in the manner, at the time or times, for the price or prices, and upon the terms he deems advisable. He may vote in person or by general or limited proxy a security which is custodial property. He may consent, directly or through a committee or other agent, to the reorganization, consolidation, merger, dissolution, or liquidation of an issuer, a security which is custodial property, and to the sale, lease, pledge, or mortgage of any property by or to such an issuer, and to any other action by such an issuer. He may execute and deliver any and all instruments in writing which he deems advisable to carry out any of his powers as custodian.

"(g) The custodian shall register each security which is custodial property and in registered form in the name of the custodian, followed, in substance, by the words: 'as custodian for (name of minor) under

the District of Columbia Uniform Gifts to Minors Act'. He shall hold all money which is custodial property in an account with a broker or in a bank in the name of the custodian, followed, in substance, by the same words. He shall keep all other custodial property separate and distinct from his own property in a manner to identify it clearly as custodial property.

"(h) The custodian shall keep records of all transactions with respect to the custodial property, and make them available for inspection at reasonable intervals by a parent or legal representative of the minor or by the minor, if he has attained the age of fourteen years.

"(i) A custodian shall have and hold as powers in trust, with respect to the custodial property, in addition to the rights and powers provided in this Act, all the rights and powers which a guardian has with respect to property not held as custodial property.

"(j) If the subject of the gift is a life insurance or annuity contract, the custodian shall have all of the incidents of ownership in the contract which he may hold as custodian to the same extent as if he were the owner thereof personally. The designated beneficiary of any such contract held by a custodian shall be the minor or, in the event of his death, the minor's estate.

"SEC. 5. (a) A custodian shall be entitled to reasonable compensation for his services and to reimbursement from the custodial property for his reasonable expenses incurred in the performance of his duties: *Provided*, That a custodian may act without compensation for his services.

Compensation.

"(b) Compensation for the guardian or custodian shall be according to:

"(1) Any direction of the donor when the gift is made, provided that it is not in excess of any statutory limitation of the District of Columbia for guardians or custodians;

"(2) Any statute of the District of Columbia applicable to custodians or guardians;

"(3) Any order of the court.

"(c) Except as otherwise provided in this Act, a custodian shall not be required to give a bond for the performance of his duties.

"(d) A custodian not compensated for his services shall not be liable for losses to the custodial property unless they result from his bad faith, intentional wrongdoing, or gross negligence or from his failure to maintain the standard of prudence in investing the custodial property provided in this Act.

"SEC. 6. (a) Only an adult, a guardian of the minor, or a trust company shall be eligible to become successor custodian. A successor custodian shall have all the rights, powers, duties, and immunities of a custodian designated in the manner prescribed by this Act.

Successor
custodian.

"(b) A custodian, other than the donor, may resign and designate his successor by—

"(1) executing an instrument of resignation designating the successor custodian; and

"(2) causing each security which is custodial property and in registered form and each life insurance or annuity contract to be registered in the name of the successor custodian followed, in substance, by the words: 'as custodian for (name of minor) under the District of Columbia Uniform Gifts to Minors Act'; and

"(3) delivering to the successor custodian the instrument of resignation, each security registered in the name of the successor custodian, each life insurance or annuity contract registered in the name of the successor custodian, and all other custodial property, together with any additional instruments required for the transfer thereof.

"(c) A custodian, whether or not a donor, may petition the court for permission to resign and for the designation of a successor custodian.

"(d) If the person designated as custodian is not eligible, renounces or dies before the minor attains the age of twenty-one years, the guardian of the minor shall be successor custodian. If the minor has no guardian, a donor, his legal representative, the legal representative of the custodian, an adult member of the minor's family, or the minor, if he has attained the age of fourteen years, may petition the court for the designation of a successor custodian.

"(e) A donor, the legal representative of a donor, an adult member of the minor's family, a guardian of the minor or the minor, if he has attained the age of fourteen years, may petition the court that, for cause shown in the petition, the custodian be removed and a successor custodian be designated or, in the alternative, that the custodian be required to give bond for the performance of his duties.

"(f) Upon the filing of a petition as provided in this section, the court shall grant an order, directed to the persons and returnable on such notice as the court may require, to show cause why the relief prayed for in the petition should not be granted and, in due course, grant such relief as the court finds to be in the best interests of the minor.

Accounting.

"SEC. 7. (a) The minor, if he has attained the age of fourteen years, or the legal representative of the minor, an adult member of the minor's family, or a donor or his legal representative may petition the court for an accounting by the custodian or his legal representative.

"(b) The court, in a proceeding under this Act or otherwise, may require or permit the custodian or his legal representative to account and, if the custodian is removed, shall so require and order delivery of all custodial property to the successor custodian and the execution of all instruments required for the transfer thereof.

Validity of instruments or instructions.

"SEC. 8. No issuer, transfer agent, bank, broker, insurance company, or other person acting on the instructions of or otherwise dealing with any person purporting to act as a donor or in the capacity of a custodian shall be responsible for determining whether the person designated by the purported donor or purporting to act as a custodian has been duly designated or whether any purchase, sale, or transfer to or by or any other act of any person purporting to act in the capacity of custodian is in accordance with or authorized by this Act, and shall not be obliged to inquire into the validity or propriety under the provisions of this Act of any instrument or instructions executed or given by a person purporting to act as a donor or in the capacity of a custodian, and shall not be bound to see to the application by any person purporting to act in the capacity of a custodian of any money or other property paid or delivered to him.

"SEC. 9. (a) The provisions of this Act shall be construed to effectuate the general purpose thereof to make uniform the law of those States which enact such provisions.

"(b) This Act shall not be construed as providing an exclusive method for making gifts to minors.

"SEC. 10. If any provision of this Act or the application thereof is held invalid, the other provisions or applications of such provisions shall not be affected thereby.

Short title.

"SEC. 11. This Act may be cited as the 'District of Columbia Uniform Gifts to Minors Act'."

SEC. 2. (a) All laws or parts of laws in conflict with any provision of this Act are hereby repealed.

Repeal.

(b) The amendments made to the Act of August 3, 1956 (70 Stat. 1028; D.C. Code, secs. 21-214 et seq.), by the first section of this Act shall not affect any right or liability under such Act of August 3, 1956, existing on December 31, 1962.

(c) Nothing herein shall be deemed to repeal or modify the Internal Revenue Code of 1954, as amended, and the District of Columbia Income and Franchise Tax Act of 1947, as amended.

SEC. 3. This Act shall take effect January 1, 1963.

Approved October 15, 1962.

26 USC 1 et
seq.
61 Stat. 328.
D. C. Code 1-1
to 1-4.

Public Law 87-822

AN ACT

To amend the Mineral Leasing Act of February 25, 1920.

October 15, 1962
[H. R. 11049]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 31 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 188), is further amended by designating the first paragraph thereof as subsection "(a)", the second paragraph as subsection "(b)", and adding two new subsections to read as follows:

Mineral Leasing
Act, amendment.

60 Stat. 956.

"(c) Where any lease has been terminated automatically by operation of law under this section for failure to pay rental timely and it is shown to the satisfaction of the Secretary of the Interior that the failure to pay timely the lease rental was justifiable or not due to a lack of reasonable diligence, he in his judgment may reinstate the lease subject to the following conditions:

Oil and gas
leases, rein-
statement.

"(1) A petition for reinstatement, together with the required rental, for any lease (a) terminated prior to the effective date of this Act must be filed with the Secretary of the Interior within one hundred and eighty days after the effective date of this Act;

"(2) No valid lease has been issued affecting any of the lands in the terminated lease prior to the filing of the petition for reinstatement.

"(d) Where, in the judgment of the Secretary of the Interior, drilling operations were being diligently conducted on the last day of the primary term of the lease, and, except for nonpayment of rental, the lessee would have been entitled to extension of his lease, pursuant to section 4(d) of the Act of September 2, 1960 (74 Stat. 790), the Secretary of the Interior may reinstate such lease notwithstanding the failure of the lessee to have made payment of the next year's rental, provided the conditions of subparagraphs (1) and (2) of section (c) are satisfied."

30 USC 226-1.

SEC. 2. Nothing in this Act shall be construed as limiting the authority of the Secretary of the Interior to issue, during the periods in which petitions for reinstatement may be filed, oil and gas leases for any of the lands affected.

Approved October 15, 1962.